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MARXIST APPROACHES TO ECONOMIC CRISIS

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ABSTRACT:
In the work of Marx, a general theory of economic crises cannot be found, at leastin a developed form. This fact contributed to the formulation of different and g enerally contradicting Marxist crisis theories. Three such theories: the underconsumptionist approach, the theory of capital overaccumulation and the approach of the tendentially falling profit rate, (all of which were formulated by Marxist theorists shortly after the death of Marx and Engels) constitute different interpretations of the theoretical categories of Marx's Critique of the Political Economy. Many Marxists still consider them to be indispensable theoretical tools for the understanding of the mech anism of capitalist economic crises.

The underconsuptionist approach, which was dominant among Marxists in the 1890s was fiercely criticized by the Russian "legal Marxist" Tugan – Baranowsky (T – B) on the basis of Marx's reproduction schemes in Vol. II of Capital . T- B's theoretical intervention created a new"orthodoxy" among Marxists during the first decades of the 20th century. However, he incorporated in his analysis the "absolute immiseration thesis", and claimed that "proportionality" between production sectors would exclude any possibility of crisis, despite the supposedly continuous fall in mass consumption. This approach allows for a Keynesian interpretation of Marx's theory of expanded reproduction of social capital, according to which a constantly in creasing investment demand may always compensate for the lacking demand for consumer goods.

The notion of capital overaccumulation is considered in this paper as the key element of Marx's crisis theory. The paper concludes that economic crises shall be id entified neither with the law of the tendential fall in the profit rate, nor with some supposedly intrinsic underconsuption of the labouring classes. Instead, crises shall be comprehended as the outcome of the fusion of a variety of factors which suppress the rate of profit. An economic crisis can be described, therefore, as a conjunctural overaccumulation, i.e. a conjunctural production of commodities (means of production and means of consumption) in such quantities and prices, that they temporarily hinderthe process of capitalist expanded reproduction. In the last instance, all categories of factors affecting the value composition of capital and the profit rate are overdetermined by class struggle, the main object of which is the (level of) exploitation of the labour force.

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